

Streamline Refinance Without Appraisal - Maximum Mortgage Worksheet # 3

Use the Refinance Maximum Mortgage Worksheet **HUD-92900-WS**
FHA to FHA

For OWNER-OCCUPANT loans, use the lower of calculations (3-A thru 3-C)

3-A		Original Principal balance (From the Refinance Authorization screen in the FHA Connection) This will reflect loan amount after any principal reductions	MCAW 10f(1)
------------	--	--	--------------------

OR

EXISTING DEBT PLUS ALLOWABLE ADDITIONAL ITEMS (Subordinate liens and repairs are not eligible for inclusion in the maximum mortgage)			
	\$		
		Principal balance on existing first lien + up to <u>one</u> month monthly MIP + the Mortgage Pmt. (PITI) that was due on the 1 st (if not already paid) in addition up to 30 days interest for the current month + <u>late charges</u> + <u>escrow shortages</u> (ML 2005-43) (MCAW 10a)	
	-	MIP Refund, if applicable (MCAW 10d)	
	+	Allowable borrower-paid closing costs (MCAW 10c)	
	+	Prepaid Expenses (Per Diem interest to end of month on new loan + hazard insurance deposits + real estate tax deposits) (MCAW 10b)	
	+	Reasonable Discount Points (MCAW 10b)	
3-B	=	Maximum Mortgage BEFORE UFMIP	MCAW 10e
	X	1.5%	
	=	\$	
		"Estimated" new UFMIP *See Note #3 below	

MAXIMUM MORTGAGE BEFORE UFMIP IS LOWER OF (3-A) or (3-B)

NOTE #3: If the lower of the calculations above is #3-B, and if the UFMIP refund is greater than the new UFMIP "estimate", you may apply the following calculations to arrive at Line 3-A on the MCAW. (This will allow the borrower to bring less monies to the closing.)

UFMIP REFUND IS GREATER THAN THE NEW UFMIP (Subordinate liens and repairs are not eligible for inclusion in the maximum mortgage)			
	\$		
		Principal balance on existing first lien + up to <u>one</u> month monthly MIP + the Mortgage Pmt. (PITI) that was due on the 1 st (if not already paid) in addition up to 30 days interest for the current month + <u>late charges</u> + <u>escrow shortages</u> (ML 2005-43) (MCAW 10a)	
	-	"Estimated" new UFMIP (from 3-B above)	
	+	Allowable borrower-paid closing costs (MCAW 10c)	
	+	Prepaid Expenses (Per Diem interest to end of month on new loan + flood/hazard insurance deposits + real estate tax deposits) (ML 96-18)	
	+	Reasonable Discount Points (MCAW 10b)	
3-C	=	Maximum Mortgage BEFORE UFMIP	MCAW 10g

Streamline Refinance Without Appraisal - Maximum Mortgage Worksheet # 3

For all INVESTOR LOANS

OR

For all NON OWNER-OCCUPANT LOANS

Use calculations 3-D OR 3-E below

- This is the only type of refinance that private investors may do. This is also the only type of refinance that can be accomplished in condominium projects that are no longer approved. (1-12-D-3)

		EXISTING DEBT (Subordinate liens and repairs are not eligible for inclusion in the maximum mortgage)		
	\$		Unpaid principal balance (no interest added) (MCAW 10a)	
	-		MIP Refund, if applicable (MCAW 10d)	
3-D	=		Maximum Mortgage BEFORE UFMIP	MCAW 10e
	X	1.5%		
	=	\$	“Estimated” new UFMIP *See Note #2 below	

NOTE #2 If the UFMIP refund is greater than the new UFMIP “estimate”, you may apply the following calculations to arrive at Line 3-A on the MCAW.
(This will allow the borrower to bring less monies to the closing.)

		UFMIP REFUND IS GREATER THAN THE NEW UFMIP		
	\$		Unpaid principal balance (no interest added)	
	-		“Estimated” new UFMIP (from 3-D above)	
3-E	=	\$	Maximum Mortgage BEFORE UFMIP	MCAW 10g

Streamline Refinance Without Appraisal - Maximum Mortgage Worksheet # 3

FHA to FHA

- Term of the new mortgage is the lesser of 30 years or the un-expired term of the existing mortgage plus 12 years. (1-12-A).
- Cash back at closing limited to \$500. (MI 2005-43)
- A Hybrid Arm, (3-, 5-, 7-, or 10-year mortgage) may be streamline refinanced to a fixed rate mortgage, with or without appraisal, provided that the payment will not increase more than 20% and all mortgage payments have been made within the month due for at least the past 12 months or the period the mortgage has been in force, if shorter. (ML 2005-43)
- This is the only type of refinance that may be used for non-profits as borrowers. They must be listed in the FHA Connection as approved by FHA to be borrowers on FHA loans. (1-4 & 1-5)
- This is the only type of refinance that may be used for private investors or secondary residences. For these types of loans, only calculations 3-D and 3-E above may be used. (1-12-A)
- This is also the only type of refinance that can be accomplished in condominium projects that are no longer approved. Only calculations 3-D and 3-E above may be used for these. (1-12-D-3)
- Any streamline refinance of a 30-year mortgage on a principal residence may be refinanced to a shorter term mortgage; however, the new monthly principal and interest may not increase more than 20%. (ML 2005-43)
- A delinquent mortgage is generally not eligible for streamline refinancing until the loan is brought current. However, if the mortgage is delinquent by no more than two monthly payments, the re-financing lender may pay the borrower's mortgage to bring the payments current provided no obligation is placed on the borrower to repay the funds used to bring the mortgage current. (1-12-D-6)
 - If the mortgage is delinquent by more than two months, refer to ML 94-30.
 - If the loan is an ARM to fixed rate loan, all mortgage payments must have been made within the month due for the past twelve months or period of time that the loan has been in force if shorter. (1-12-D-15)
 - On an ARM-to-fixed rate streamlined refinance, if the new fixed-rate mortgage will be at a rate lower than the existing rate of the ARM, the 30 days late, rule is not applicable. (1-12-D-15)
- VOM or other documentation is required which includes principal balance, date loan originated, names of original borrowers and type of loan.
- A holding period of six months applies when: (1) the borrower obtained the loan via non-qualifying assumption; or (2) when a borrower is deleted due to devise or descent of law (e.g., divorce, death, etc.) and a quit-claim of interest has been executed. Full credit qualifying is required if held less than six months and/or if due-on-sale clause is triggered. (1-12-C)
- Subordinate financing may remain in place without regard to the total indebtedness; that is, the combined amounts of the first and subordinate mortgages may exceed the maximum mortgage limit for the area. (1-12-d-11)
- Social Security Numbers must be verified for all borrowers.
- If an appraisal is ordered but the borrower decides to proceed with a streamline without an appraisal, the appraisal may be voided. (If this is done, the case type in the FHA Connection must be changed to reflect that the case number is now a streamline refinance **without** an appraisal.)
- A pay-off statement from the previous lender showing the unpaid principal should be included in the endorsement binder.
- The amount of the existing first mortgage may not include delinquent interest.
- **Original principal balance should be verified from the Refinance Authorization screen in the FHA Connection since this will reflect any principal reductions for the previous loan.**